



DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC 20330-1060

The Office of the Assistant Secretary

20 JAN 2000

MEMORANDUM FOR ALMAJCOM/FOA/DRU

FROM: SAF/AQC
1060 Air Force Pentagon
Washington, DC 20330-1060

SUBJECT: Electronics Funds Transfer

Confirming SAF/AQC e-mail dated 21 Dec 99, the Department of Defense Comptroller has issued a memo (attached) that identifies problems in implementing Central Contractor Registration (CCR) and Electronic Funds Transfer (EFT), and lists a number of actions that the Defense Finance and Accounting Service (DFAS) will take if they can not execute payments via EFT. The problems stem from contractors not being registered in CCR; contracts not containing the appropriate EFT and CCR clauses; contractor invoices not containing the necessary information to enable payment by EFT; and vendor files in our contract writing systems not matching CCR data.

Some of the major actions that DFAS will implement beginning February 1, *if the Contractor is not registered in the CCR*, are: (1) returning any contract that does not contain appropriate EFT clauses to the contracting office (i.e., no payments will be made to vendors until the contract/purchase order contains these clauses); (2) charging the DOD component a processing fee for each contract or purchase order (above the micro-purchase threshold) that is returned as a result of not containing the appropriate EFT clauses; and (3) charging the DOD component an additional processing fee for invoices that are paid by other means than EFT, because the contract did not contain the appropriate EFT clause.

Therefore, in order to minimize future payment problems, we strongly urge each of you to take immediate action to ensure that:

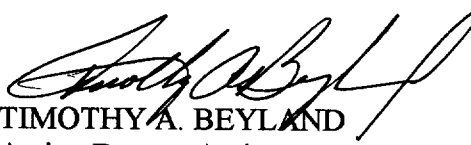
- Your contracting activities are complying with the requirement at DFARS 204.7302 to award *only* to vendors registered in CCR;
- The clauses at FAR 52.232-33, "Payment by Electronic Funds Transfer--Central Contractor Registration," FAR 52.232-34, "Payment by Electronic Funds Transfer--Other than Central Contractor Registration," FAR 52.212-4, "Contract Terms and Conditions--Commercial Items," or DFARS 252.204-7004, "Required Central Contractor Registration," as appropriate, be included in all solicitations, contracts and purchase orders in accordance with FAR 32.1110, FAR 12.301, or DFARS 204.7304; and

- All existing Indefinite Delivery Indefinite Quantity contracts, Basic Agreements, Blanket Purchase Agreements and Basic Ordering Agreements that do not currently include the required clauses are modified to add them.

Finally, all activities will validate local vendor databases on a monthly basis using CCR utility tools, if available, to ensure all contractors are registered and the vendor file data matches character by character with the CCR database. If they are not registered in the database, steps should be immediately taken to contact the vendor, make them aware of the requirement, and, if necessary, assist them in registering.

In response to our December message, several of you gave us information on why these problems may exist. We will determine whether any clarifications to FAR or automation policy are needed.

Point of contact for this action is Mr. Paul A. Schill, SAF/AQCP, (703) 588-7053, or DSN 425-7053.



TIMOTHY A. BEYLAND
Acting Deputy Assistant
Secretary (Contracting)
Assistant Secretary (Acquisition)

Attachment
USD(C) memo, 30 Dec 99

cc: SAF/FM (Mr. Hale)
SAF/SB (Mr. DeLuca)